

NEW HAVEN

INNER CITY BUSINESS STRATEGY INITIATIVE

CREATING JOBS, INCOME, AND
WEALTH FOR INNER CITY RESIDENTS

CREATING JOBS, INCOME AND WEALTH

A market-oriented approach

The New Haven Inner City Business Strategy Initiative is a bold effort to tackle the city's most pressing challenge - extending today's economic prosperity to citizens who have been left behind. In a unique collaborative effort, business, government, and community leaders in New Haven have worked together to identify market-based opportunities for inner-city business growth that can create jobs, income, and wealth for local residents.

The Initiative represents an entirely new approach to inner-city revitalization. Rather than focusing on barriers to development, this approach identifies and taps the economic competitive advantages inherent in New Haven's inner city and emphasizes private, for-profit business development.

From June to December 1999, New Haven leaders have worked with the Initiative for a Competitive Inner City (ICIC), a national nonprofit organization founded by Harvard Business School Professor Michael Porter, to conduct a rigorous assessment of New Haven's existing business base and its business environment. Their efforts have resulted in a strategic action plan for inner-city business growth and job development focused on six target clusters: knowledge-based industries (including education, biotechnology, information technology, and health services); arts, entertainment and tourism; manufacturing; commercial services; construction; and retail/distribution. Nathaniel Woodson, Chairman of The United Illuminating Company, has championed this effort, committing his personal time and attention to ensuring its success.

In less than one year, the New Haven Inner City Business Strategy Initiative has accomplished the following results:

- More than 50 corporate, government, and community leaders are actively committed to inner-city economic development and ready to drive recommendations to implementation.
- More than 50 interviews have been conducted with inner-city com-

panies, providing in-depth knowledge of the competitive advantages and disadvantages specific to New Haven's inner city.

- A detailed analysis of New Haven's inner-city economy, based on the industry clusters that drive its growth, is now available to guide decision-making.
- Detailed strategies and action plans have been developed for inner-city business growth in six target clusters: knowledge-based industries (including education, biotechnology, information technology, and health services); arts, entertainment and tourism; manufacturing; commercial services; construction; and retail/distribution.

A call to action

The recommendations that follow present a clear timetable, laying the groundwork for action, accountability, and results. But recommendations alone are not enough. The recommendations must lead to action by community, business, and government leaders.

The Advisory Board urges leaders from all three sectors to join in an unprecedented collaboration to pursue results. With today's strong economy, there has never been a better moment to harness the power of free markets to renew New Haven's inner city, creating sustainable economic opportunities for its residents.

RECOMMENDATIONS

New Haven's action plan for inner-city revitalization focuses on bolstering the following three key building blocks of inner-city economies: competitive urban businesses, competitive inner-city residents, and a competitive city environment.



I. BUILD COMPETITIVE URBAN BUSINESSES

Develop regional cluster leadership

To foster on-going business growth in New Haven, the New Haven Advisory Board proposes that a private sector leadership structure, led by the Greater New Haven Chamber of Commerce, organize key private leaders in each cluster identified in this project (knowledge-based businesses; arts, entertainment and tourism; manufacturing; commercial services; construction and retail/distribution). These cluster advocates would develop focused agendas for each cluster, building on the recommendations in this report. Cluster agendas would have two components: strategies to support the health and growth of the cluster in the region and strategies to ensure that this growth benefits the businesses and residents in the region's inner city. The agenda-setting process would create the scorecard by which the community will assess progress and would engage the public and community partners that will help implement the strategies.

Regional cluster advocates will coordinate closely with statewide cluster initiatives and existing inner-city economic development initiatives such as the Empowerment Zone. The Chamber of Commerce will provide technical support for each of the six clusters through existing or new structures.

Create lab space and smart buildings in the inner city

New Haven is positioned for growth in both the biotechnology and information technology clusters within the larger knowledge-based business cluster. In biotechnology, new strategies and incentives are required to create affordable lab space for start-up and early-stage companies. New Haven's information technology infrastructure is strong, the cluster is growing nationally, and numerous start-ups have emerged in the Greater New Haven area. New Haven can build on these assets and encourage information technology companies to locate in the inner city by increasing site availability. This can include creating "smart buildings" by bringing high bandwidth (fiber optic) capability to designated buildings.

Increase business support services and access to capital

While there are many entities engaged in assisting businesses and providing loans in New Haven, there is no framework or umbrella mechanism for coordinating these efforts. Business interviews revealed that the demand for technical assistance exceeds supply. Businesses also cited that access to capital is a major barrier to success.

The New Haven Advisory Board will work to establish a coordinated leadership umbrella consisting of New Haven's many business development organizations. Planning and execution of the umbrella entity will be the responsibility of the private sector leadership structure under the guidance of the Greater New Haven Chamber of Commerce. It will oversee a neighborhood-focused, coordinated business support structure that organizes business planning, technical assistance, and access to capital, and publishes a comprehensive guide to all programs and services (Web and hard copy).

To support business development efforts, the organization will:
1) mobilize the resources of regional business schools; 2) convene financial institutions, business representatives, and non-profit leaders to

assess availability of capital and need for new loan products; and 3) develop a mechanism to monitor capital flow to inner-city businesses and identify issues going forward.

Objectives for 2000-2003:

- Provide 250 inner-city businesses with technical and managerial assistance for expansion.
- Engage four business schools and corporate partners in service delivery to inner-city businesses.
- Increase loans to inner-city businesses by ten percent.

II. DEVELOP COMPETITIVE RESIDENTS

Implement a three-part strategy to improve workforce skills in six clusters

Despite the substantial resources being devoted to education and training in New Haven, many employers are frustrated with skill levels and job-readiness of applicants. While there is a substantial demand for labor throughout the economy, many unemployed and underemployed inner-city residents do not have the preparation they need to access available jobs. The New Haven Advisory Board recommends a three-part strategy to address the skill deficits and barriers to successful employment of inner-city residents.

In the **short term**, the Advisory Board proposes a comprehensive job-readiness and placement initiative with neighborhood-based outreach. This would be implemented by Empower New Haven, Inc. (the non-profit charged with implementing New Haven's federal Empowerment Zone program) and the Regional Workforce Development Board of Greater New Haven. The initiative would also focus on improving access to regional jobs through the Regional Growth Connection, an established transportation-to-work initiative.

The Board also proposes customized training for specific jobs identified by cluster companies combined with an enhanced Employee Assistance Program to ensure retention. Immediate targets for this initiative are three call centers: SNET, DSL.net, and FreshNex. Eventually, customized training will be implemented in the six clusters listed above. To enhance career and educational choices for inner-city students, the Board recommends a focused effort by the Higher Education Consortium to assist in college preparation and financing, particularly in technical and science careers.

In the **intermediate term**, the six clusters will work with the Higher Education Consortium to align curricula with employers' skill needs and to define career pathways, including access to new and existing certificate, as well as associate's and bachelor's degree programs. The six clusters will work to enhance the local applicant pool through broader employer engagement in high school counseling and career awareness programs.

In the **longer term**, the Advisory Board seeks to engage broad private sector, cluster, and community leadership in the process of reforming K-12 education systems, including Vocational Technical Schools. The Advisory Board also seeks to engage Higher Education Institutions in literacy initiatives, school-to-career partnerships, teacher training, leadership training, and technology partnerships.

Objectives for 2000-2003:

- Recruit and train 300 inner-city residents for jobs in New Haven call centers.
- Involve corporate leaders in developing customized training programs for six clusters.
- Increase enrollment of inner-city residents at regional higher education institutions by 15 percent.

III. CREATE A COMPETITIVE CITY

Increase availability of clean, buildable sites in the inner city

While New Haven's inner city offers access to transportation and a central location, many available sites are temporarily unusable due to environment liabilities or obsolete structure issues. Investment in the remediation of these sites is required for New Haven's inner city to meet its potential as a competitive business location.

The Regional Growth Partnership and the City of New Haven will lead a coalition of institutions including Empower New Haven, Inc., the Greater New Haven Chamber of Commerce, the State DECD and DEP, Science Park Development Corporation, and key landowners to create a comprehensive site development strategy. These groups will work to:

- Develop a prioritized list of brownfield sites.
- Identify potential assemblages and resolve how to aggregate parcels.
- Analyze the cost of returning these sites to market use at competitive rates.
- Seek a combination of state funds and incentives to remediate and assemble specific sites.

Enhance actual and perceived security in inner-city areas

According to the businesses interviewed in this project, perception of crime is a top competitive disadvantage in New Haven. Although crime rates have declined dramatically, serious concerns remain that inhibit business growth and expansion. Both the perception of crime and actual crime must be addressed. Proposed action strategies include the following:

- Deepen community-based policing partnerships with businesses and neighborhoods to address crime issues.
- Create a security consultant/ombudsman position within the Department of Police Services to work with businesses and business services.
- Create trusted neighborhood scorecards to address perceptions.

Objectives for 2000-2003:

- Complete environmental assessments on eight sites within the inner-city study area.
- Develop a detailed prioritized redevelopment strategy for 100 acres of currently unusable land.
- Increase available land for development by 40 acres.
- Initiate the development of 4 sites in the study area.

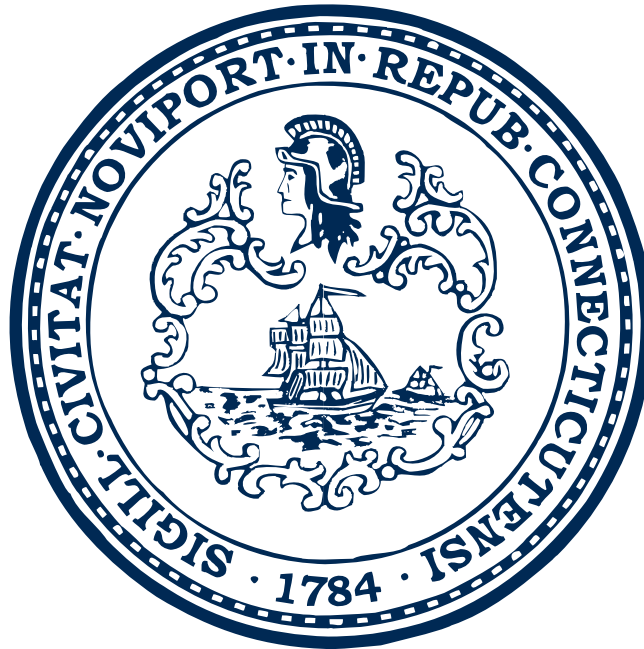
MOVING FORWARD

In less than one year, this Initiative has created unprecedented consensus and momentum behind inner-city revitalization across the city. Success will require sustained commitment across multiple constituencies to harness energy, resources, and leadership. By resolving to support these strategies and stimulate ongoing commitment, New Haven will make tremendous strides in advancing the economic prosperity of its inner-city residents.

By taking decisive action to implement this strategy, New Haven can:

- Prepare hundreds of inner-city residents to compete for skilled jobs with strong career paths and opportunities for advancement.
- Boost the competitiveness of its inner-city business environment, facilitating business growth and attracting new businesses.
- Create a strong base of inner-city businesses with access to the resources and assistance they need to expand and to adapt to competitive pressures.

- Develop a pool of inner-city entrepreneurs poised to take on new business opportunities.
- Solidify ties among business, government, and community leaderships and build the institutional infrastructure needed to promote and sustain business development in the long term.
- Fundamentally alter the opinions and attitudes of customers, investors, and business professionals regarding viable business opportunities in New Haven's inner city.



805 Brook Street
Building 4
Rocky Hill, CT 06067-3405
800-392-2122
www.cerc.com



Industry Cluster and International Division
505 Hudson Street
Hartford, CT 06106
860-270-8018
www.state.ct.us/ecd